

## FARM BILL FORUM

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I am Bob Lehfelddt of Lavina, a sheep producer and currently President of the Montana Wool Growers Association. I appreciate the opportunity to make some brief comments at this forum regarding a new farm bill.

Believe me it is a challenge being involved in Agriculture. My son just returned to the ranch and has strong interests in continuing our operation of a family owned ranch. His and my challenge is to be able to expand our operation in order to provide a reasonable living. Interest rates always bear on the profitability of a ranching operation because money is borrowed for nearly all operations. A growing non rural population also is a challenge. All people eat, but there's only a handful of people left in production agriculture. Even in Montana we are seeing our state legislature become directed by urban city educated and elected representatives who do not have the understanding of Ag production. These people set policy and pass laws that are adverse to Agriculture. I guess the introduction of wolves back to Montana is one of those programs, I disagree with due to the predation effect on livestock producers.

Montana sheep producers can compete in world markets and we are indeed competing. Well over 60% of the wool grown in the United States is now into the export market. We have changed in the way we market our wools including much more selectivity in putting wools of the same micron count together and baling that wool in square bales for container shipment to foreign ports. The value of the United States dollar addresses the price we receive for wool, and right now the prices are not very good for our raw wool. Government policy concerning the

value of the dollar is an area that affects all of Agriculture for export.

In this next farm bill, we hear that many programs that are direct payments will be eliminated due to trade agreements with foreign countries. I've watched this closely, and am very distressed over the United States' negotiating cuts in farm programs while foreign countries are slow in not dropping their support of their farmers and or not taking off tariffs or import controls which stop our sales to their countries. Sheep producers in many of our competing countries receive large subsidies based on each head they raise.

The American Sheep Industry wants the 2007 Farm Bill to include the present Loan Deficiency Payments on wool with some tweaking to reward growers who are producing the best of wool for the markets. The industry wants to raise the loan rate to \$1.20 lb which was the amount intended when the LDP wool program was put in the farm bill.

We will seek a program designed to expand sheep numbers in the United States. We want a program that will reward producers for holding back ewe lambs with the farm bill providing monetary payments for keeping ewe lambs for production. The program was in place for four years and we did see the results of increased sheep numbers. We need more sheep raised in the United States and this incentive will drive that process.

We need the strong support, Mr. Conners, of the USDA to re-authorize the National Sheep Industry Improvement Center. This center provides loans for sheep industry infrastructure such as slaughter facilities, wool warehouses and transportation issues necessary to move the product to market.

This industry supports mandatory price reporting and since the time mandatory reporting was dropped we have had lamb importers not report the amount nor price of lamb they imported. They won't cooperate with a voluntary program.

This industry also supports country of origin labeling, a position long held by the sheep industry.

In closing, USDA and those Senators like you, Senator Burns, need to continue to legislate programs to ensure Americans have a supply of food. Relying on imports for food to feed our nation is not in our best interests. We also need to address the high cost of energy as Agriculture is a big user of energy to produce, harvest and get the food to market.

Thank you.